

Message Text

LIMITED OFFICIAL USE

PAGE 01 NEW DE 11882 01 OF 02 041520Z
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-05 H-01
INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15
ICA-11 HA-05 /081 W
-----095631 041643Z /50

R 041103Z AUG 78
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 3201
INFO AMCONSUL BOMBAY
AMCONSUL CALCUTTA
AMEMBASSY COLOMBO
AMEMBASSY DACCA
AMEMBASSY ISLAMABAD
AMEMBASSY KABUL
/AMEMBASSY KATHMANDU 1521
AMCONSUL MADRAS
AMEMBASSY MOSCOW
CINCPAC

LIMITED OFFICIAL USE SECTION 1 OF 2 NEW DELHI 11882

CINCPAC FOR POLAD

E.O. 11652: N/A
TAGS: PINT, IN
SUBJECT: UPDATE: CHARAN SINGH, INDIRA GANDHI AND
"CORRUPTION IN HIGH PLACES"

REF: NEW DELHI 11234

1. SUMMARY. MIDWAY THROUGH THE MONSOON SESSION OF PARLIAMENT, THE ISSUES OF CHARAN SINGH, INDIRA GANDHI AND "CORRUPTION IN HIGH PLACES" CONTINUE TO OCCUPY FRONT AND CENTER STAGE IN INDIAN POLITICS. ALTHOUGH SOME NEW DEVELOPMENTS HAVE OCCURRED ON A VARIETY OF FRONTS, THE FUNDAMENTAL "PROBLEM" IN
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 NEW DE 11882 01 OF 02 041520Z

THE JANATA -- THE FEUD BETWEEN OUSTED HOME MINISTER CHARAN SINGH AND PRIME MINISTER DESAI -- REMAINS DEADLOCKED. IN THE RAJYA SABHA, CONGRESS (I) IS SEEKING TO CAPITALIZE ON THIS JANATA IMBROGLIO TO COUNTER THE LEGAL MOVES AGAINST MRS. GANDHI. THE FORMER PM HAS TAKEN THE POLITICAL ROUTE OF DECLARING AUGUST 9 A "SAVE INDIA DAY" OF PEACEFUL DEMONSTRATIONS AGAINST THE FAILURES OF THE JANATA GOVERNMENT. END SUMMARY.

2. THE PREDOMINANT ISSUE SINCE PARLIAMENT RECONVENED JULY 17 HAS BEEN THE CHARGE OF "CORRUPTION IN HIGH PLACES" RAISED BY CHARAN SINGH IN HIS BATTLE WITH MORARJI IN JUNE/JULY. SPECIFICALLY, THE EX-HOME MINISTER HAD AIRED VARIOUS ALLEGATIONS OF QUESTIONABLE BUSINESS DEALINGS BY MORARJI'S SON KANTIBHAI AND ALSO CHARGES OF SIMILAR CORRUPT PRACTICES BY RELATIVES OF OTHER (UNNAMED) GOI MINISTERS. IN THE MONTHS PRIOR TO BEING DISMISSED AS HOME MINISTER, CHARAN SINGH WROTE SEVERAL LETTERS TO THE PM MENTIONING REPORTS OF THESE ALLEGATIONS. ON HIS RESPONSES, MORARJI REPORTEDLY CITED REPORTS OF SIMILAR ALLEGATIONS AGAINST CHARAN SINGH'S RELATIVES.

3. AS REPORTED IN REFTTEL, THE CONGRESS (I) AND TO A LESSER DEGREE THE OFFICIAL CONGRESS AND CPI HAVE SEIZED THESE ALLEGATIONS AS AN INSTRUMENT WITH WHICH TO ATTACK THE GOVERNMENT IN GENERAL AND THE PRIME MINISTER IN PARTICULAR. THE CONGRESS (I)'S CLEAR STRATEGY HAS BEEN TO DISRUPT THE PROCEEDINGS OF THE RAJYA SABHA, WHERE JANATA IS IN A MINORITY POSITION, BY NOISILY DEMANDING THAT THE DESAI/CHARAN SINGH EXCHANGE OF CORRESPONDENCE ON KANTIBHAI BE MADE PUBLIC. THE ALMOST DAILY UPROARS GENERATED FROM THE CONGRESS (I) BENCHES HAVE TURNED PARLIAMENT'S UPPER HOUSE INTO SOMETHING RESEMBLING A RUMPUS ROOM. B.D. JATTI, THE VICE PRESIDENT OF INDIA WHO ALSO CHAIRS THE UPPER HOUSE, HAS PROVED INEPT AT CONTROLLING THE CHAOS. IN AN EFFORT TO DEFUSE THE ISSUE, HE ALLOWED SELECTED OPPOSITION

LIMITED OFFICIAL USE

PAGE 03 NEW DE 11882 01 OF 02 041520Z

TION LEADERS FROM BOTH HOUSES TO READ THE DESAI/CHARAN SINGH LETTERS IN HIS CHAMBERS (BUT WITHOUT TAKING NOTES AND UNDER AN OATH OF SECRECY).

4. EVEN THIS COMPROMISE FAILED TO SATISFY THE CONGRESS (I), WHICH HAS ONLY STEPPED UP ITS PRESSURE ON THE GOVERNMENT FOR FULL PUBLIC DISCLOSURE OF THE LETTERS ON KANTIBHAI AND THE CREATION OF INQUIRY COMMISSIONS TO INVESTIGATE CHARAN SINGH'S CHARGES AS WELL AS ALLEGED COUNTERCHARGES FROM MORARJI OF QUESTIONABLE ACTIVITIES BY CHARAN SINGH'S RELATIVES. ON AUGUST 3, JATTI ADMITTED A CONGRESS (I) MOTION FOR A RAJYA SABHA DEBATE (TO BE HELD AUGUST 10) ON THE CREATION OF THE INQUIRY COMMISSIONS. AT THE SAME TIME HE REJECTED A MOTION FROM THE OFFICIAL CONGRESS THAT THE DESAI/CHARAN SINGH LETTERS BE PLACED ON THE TABLE OF THE HOUSE. THIS RULING PROMPTED A WALK-OUT, ODDLY ENOUGH, FIRST BY CONGRESS MP'S, WHO WERE FOLLOWED -- AFTER SOME BEWILDERMENT AND HESITATION -- BY MP'S FROM CONGRESS (I) AND THE CPI.

5. THUS, WHAT HAS COME TO BE KNOWN AS THE "CORRESPONDENCE DRAMA" THREATENS TO PROVOKE FURTHER TURMOIL IN THE UPPER HOUSE AS MRS. GANDHI'S CONGRESS SEEKS TO CAPITALIZE ON AN ISSUE

PRACTICALLY SERVED UP TO THEM BY THE RULING PARTY'S INTERNAL SQUABBLES. IT SHOULD BE NOTED, HOWEVER, THAT ALTHOUGH CONGRESS (I) TACTICS HAVE DELAYED RAJYA SABHA PROCEEDINGS, THEY HAVE NOT BROUGHT THE BUSINESS OF THE HOUSE TO A COMPLETE STANDSTILL. THE RAJYA SABHA HAS APPROVED SEVERAL GOVERNMENT BILLS IN THE PAST WEEK, INCLUDING THE IMPORTANT MISA REPEAL BILL.

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 NEW DE 11882 02 OF 02 041538Z
ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-05 H-01
INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15
ICA-11 HA-05 /081 W
-----095965 041644Z /50

R 041103Z AUG 78
FM AMEMBASSY NEW DELHI
TO SECSTATE WASHDC 3202
INFO AMCONSUL BOMBAY
AMCONSUL CALCUTTA
AMEMBASSY COLOMBO
AMEMBASSY DACCA
AMEMBASSY ISLAMABAD
AMEMBASSY KABUL
AMEMBASSY KATHMANDU
AMCONSUL MADRAS
AMEMBASSY MOSCOW
CINCPAC

LIMITED OFFICIAL USE SECTION 2 OF 2 NEW DELHI 11882

CINCPAC FOR POLAD

6. AT THE SAME TIME THE QUESTION OF PROSECUTING MRS. GANDHI FOR EMERGENCY "EXCESSES" ALSO REMAINS A VOLATILE ISSUE. THE CONGRESS (I) FOUND ITSELF ISOLATED AND ON THE DEFENSIVE DURING A LENGTHY AUGUST 3 DEBATE IN THE LOK SABHA ON THE FINDINGS OF THE SHAH COMMISSION OF INQUIRY. MP'S FROM THE JAN-ATA, OFFICIAL CONGRESS, CPI AND CPM SPOKE OUT IN HEATED TERMS AGAINST THE FORMER PM'S ABUSES OF AUTHORITY AND PROPOSED A VARIETY OF STERN MEASURES TO DEAL WITH HER. AMONG THESE WERE IMPEACHMENT BY PARLIAMENT, PERMANENT DISENFRANCHISEMENT FROM CONTESTING PUBLIC OFFICE, AND TRIAL BY A SPECIAL COURT.

CONGRESS (I) LEADER C.M. STEPHEN EVADED THE QUESTION OF MRS. GANDHI'S ACTIONS AND INSTEAD TRIED TO PORTRAY THE SHAH COM-LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 NEW DE 11882 02 OF 02 041538Z

MISSION AS AN ACT OF POLITICAL VINDICTIVENESS. FROM THE JAN-ATA BENCHES, OUSTED HEALTH MINISTER RAJ NARAIN SPOKE OUT AGAINST THE GOVERNMENT'S SLOW PACE IN PROSECUTING MRS. GANDHI AND HINTED THAT THE PRIME MINISTER HAD ASSURED HER THAT NO JUDICIAL ACTION WOULD BE TAKEN AGAINST HER, A CHARGE WHICH MORARJI QUICKLY DENIED.

7. THE GOVERNMENT HAS CONTINUED TO PROCEED IN A DELIBERATE MANNER IN ACTING ON THE INTERIM FINDINGS OF THE SHAH COMMISSION. THE CBI FILED SIX FIRST INFORMATION REPORTS (FIR'S) AGAINST MRS. GANDHI AND OTHERS ON JULY 11 AND IS CURRENTLY ENGAGED IN INVESTIGATIONS WHICH COULD LEAD TO THE FILING OF ACTUAL CHARGE-SHEETS. ON AUGUST 1 THE GOVERNMENT REFERRED TO THE SUPREME COURT FOR ITS ADVISORY OPINION ON A PROPOSED BILL WHICH WOULD CREATE SPECIAL COURTS TO TRY PERSONS HOLDING "HIGH PUBLIC OFFICE" WHO ARE CHARGED WITH ABUSES OF POWER PRECEDING AND DURING THE EMERGENCY PERIOD. THE SUPREME COURT CONSTITUTED A FIVE-JUDGE BENCH CHAIRED BY CHIEF JUSTICE CHANDRACHUD WHICH IS HOLDING A PRELIMINARY HEARING TODAY (AUGUST 4) ON THE GOVERNMENT'S REQUEST FOR AN OPINION. REGULAR HEARINGS BEGIN SEPTEMBER 12.

8. IN AN APPARENT EFFORT TO DRAW ATTENTION AWAY FROM THE SLOWLY TIGHTENING LEGAL WEB BEING DRAWN AROUND HER, MRS. GANDHI AND HER FOLLOWERS ARE STEPPING UP THEIR CONFRONTATIONAL APPROACH TOWARD THE JANATA GOVERNMENT. CONGRESS (I) HAS PROCLAIMED AUGUST 9 AS "SAVE INDIA DAY" WHEN CONGRESS (I) SUPPORTERS NATION-WIDE PLAN TO ENGAGE IN "PEACEFUL" DEMONSTRATIONS TO HIGHLIGHT THE GOVERNMENT'S FAILURES ON SUCH FRONTS AS RISING PRICES, ATROCITIES ON HARIJANS, AND FOREIGN POLICY CONCESSIONS. AUGUST 9 IS OF HISTORICAL IMPORTANCE, SINCE IT WAS THE DATE ON WHICH MAHATMA GANDHI LAUNCHED HIS "QUIT INDIA" MOVEMENT IN 1942. THE GOVERNMENT HAS WARNED THAT IT WILL DEAL LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 NEW DE 11882 02 OF 02 041538Z

STERNLY WITH PROTESTORS IF THEIR ACTIVITIES GET OUT OF CONTROL, AND SOME UGLY CONFRONTATIONS COULD DEVELOP.

9. ON THE JANATA FRONT, THE FEUD BETWEEN PRIME MINISTER DESAI AND CHARAN SINGH REMAINS STALEMATED. THE TWO ELDER LEADERS HELD A SECOND MEETING ON JULY 29 WHICH WAS AGAIN DESCRIBED AS INCONCLUSIVE. MORARJI REPORTEDLY IS ADAMANT THAT CHARAN SINGH

MUST WITHDRAW HIS ALLEGATIONS CONCERNING KANTIBHAI BEFORE ANY
CONSIDERATION WILL BE GIVEN ON RESTORING HIM TO THE CABINET.
PEACE-MAKERS CONTINUE TO SHUTTLE BACK AND FORTH DAILY BETWEEN
THE PM AND CHARAN SINGH SEEKING AN "OVERALL SETTLEMENT" OF
THEIR DISPUTE AND JANATA ELDER STATESMAN J.P. NARAYAN HAS
REPORTEDLY MADE HIS OWN APPEAL TO THE TWO TO PATCH UP THEIR
DIFFERENCES. BUT, NEITHER OF THE RULING PARTY'S TWO OLDEST
AND MOST INTRANSIGENT FIGURES HAS YET GIVEN ANY SIGN OF BACK-
ING DOWN FROM HIS POSITION, AND THE JANATA'S FUNDAMENTAL
"PROBLEM" CONTINUES TO BE DEADLOCKED.
GOHEEN

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CORRUPTION, GOVERNMENT MINISTRIES
Control Number: n/a
Copy: SINGLE
Draft Date: 04 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978NEWDE11882
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780319-0297
Format: TEL
From: NEW DELHI
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780898/aaaaddyc.tel
Line Count: 235
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 71f1356a-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 NEW DELHI 11234
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 26 apr 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1835844
Secure: OPEN
Status: NATIVE
Subject: UPDATE: CHARAN SINGH, INDIRA GANDHI AND "CORRUPTION IN HIGH PLACES"
TAGS: PINT, PGOV, IN
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/71f1356a-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014